

Treasury Franchise Fund

Program Summary by Account

(Dollars in thousands)

Budget Activity	FY 2006	FY 2007	FY 2008		
	Obligated	Estimated	Estimated	Increase/ Decrease	Percent Change
Consolidate/Integrated Admin Mgt	540,586	595,160	689,460	94,300	15.8%
Fin Mgt Admin Support Services	88,735	90,861	98,685	7,824	8.6%
Financial Systems, Consulting and Training	13,133	8,650	9,167	517	6.0%
Total Cost of Operations	\$642,454	\$694,671	\$797,312	\$102,641	14.8%

Explanation of Budget Estimate

The Treasury Franchise Fund is made up of four individual franchise businesses that are rolled into three budget activities which provide similar services. The Franchise Fund businesses have been leaders in redefining the processes and methods for delivering administrative products and services that combine streamlined processes, simplified rules, full accountability, competitive costing, timely completion, and one-stop shopping for customers.

Franchise Fund efforts have resulted in significant dollar savings throughout the federal government primarily through the following franchising objectives:

- Promote efficiencies in the delivery of administrative products and services,
- Reduce duplication of effort,
- Foster competition,
- Achieve full cost/self sufficiency, and
- Enhance customer satisfaction.

The FY 2008 budget estimate anticipates further growth due to the development of the Financial Management Line of Business and the Fund's status as a Center of Excellence. The Administrative Resources Center (ARC) already has agreements in place to add customers through FY 2008. The Fund's growth seeks to maintain high customer satisfaction levels for the services provided, while keeping operating expenses low. Customers should continue to realize reduced pricing, rebates, and volume discounts as a result of the economies of scale and improved efficiencies.

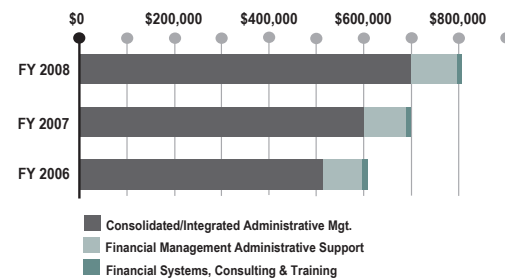
Purpose of Program

The Treasury Franchise Fund is a revolving fund that supplies financial and administrative services on a fee-for-service basis. The Fund transforms the administrative support

arena in the federal government by energizing a shared services business model that can offer marketplace success through competition. The Fund was made permanent in the Consolidated Appropriations

TFF Revenue History

(Dollars in Thousands)



Act, 2005 (Public Law 108-447) and is codified in U.S.C. 322, note. The Fund was recognized as a Financial Management Center of Excellence in 2005, making it eligible to enter into competitions to provide cross-agency financial management services government-wide.

Through FY 2008 the Fund will maintain its commitment to excellence and will continue to meet or exceed all strategic goals and benchmarks. Additionally, the Fund should continue to see controlled growth.

In FY 2006, the Fund:

- Provided 31 organizations with administrative accounting services,
- Provided 38 organizations with travel services,

TFF Performance by Budget Activity

Budget Activity	Performance Measure	FY 2004	FY 2005	FY 2006		FY 2007	FY 2008
		Actual	Actual	Actual	Target Met?	Target	Target
Financial Systems, Consulting and Training	Operating expenses as a percentage of revenue--Financial Systems, Consulting and Training (%) (E)	Baseline	11	10	✓	12	12
Fin Mgt Admin Support Services	Customer Satisfaction Index - Financial Mgmt Admin Support Services (%) (Oe)	N/A	Baseline	75	✓	80	80
Consolidate/Integrated Admin Mgt	Operating expenses as a percentage of revenue--Consolidated/Integrated Administrative Management (%) (E)	Baseline	4	4	✓	12	12

Key: Oe - Outcome Measure, E - Efficiency Measure, Ot - Output/Workload Measure, and M - Management/Cust. Satisfaction

- Provided 30 organizations with procurement services, and
- Provided 25 organizations with personnel services.

Explanation of Budget Activities

Consolidate/Integrated Admin Mgt (\$689,460,000 from reimbursable programs) This Franchise Fund budget activity provides government customers with entrepreneurial business solutions for the acquisition and financial management of common administrative services and products.

Fin Mgt Admin Support Services (\$98,685,000 from reimbursable programs) This Franchise Fund budget activity provides traditional administrative support functions with a focus on accounting, procurement, travel, and human resource services. This program is a Center of Excellence for Financial Management.

Financial Systems, Consulting and Training (\$9,167,000 from reimbursable programs) This Franchise Fund budget activity consults with other federal government agencies to support their transformation efforts to become more efficient, effective, citizen-centric,

and results-oriented. Customers are provided with executive coaching, measuring performance and customer satisfaction, and innovative solutions using the latest management and information technology tools, techniques, and best practices.

Legislative Proposals

The Treasury Franchise Fund has no legislative proposals for FY 2008.

Description of Performance

Performance for each of the Fund's operating units is based on customer satisfaction and operating expenses as a percentage of revenue.

In FY 2006, the Fund did not meet all of its performance targets. However, two of the three business lines exceeded the government's American Customer Satisfaction Index average score. In addition, two of the three business lines were able to keep their operating expenses below the target of 12 percent. The Fund is currently streamlining and consolidating its processes and procedures to ensure lower operating costs.